

1964

Ash, of Pittsburgh, from the Central Office for the Boycott of Israel. I protested in the strongest terms that this kind of extortion is permitted to go on and I will report further to the Senate when I receive a reply from the Secretary of State.

Since that time there has been called to my attention an excellent article by Mr. I. L. Kenen in the Hadassah magazine for February 1964.

Mr. Kenen writes:

Experience has shown that the boycott threat is meaningless where it is firmly resisted.

That is exactly the point I am trying to make with officials in our Government. There is no reason why American citizens must take abuse from pseudogovernmental organizations in Arab countries.

I ask unanimous consent that Mr. Kenen's article, entitled, "Washington: Growing Resistance," be printed in the Appendix of the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE ARAB BOYCOTT—WASHINGTON: GROWING RESISTANCE
(By I. L. Kenen)

The Arab boycott in the United States takes two forms—discrimination against American Jews and the blacklisting of Americans who invest in Israel's economy.

Official Washington has often proclaimed that it "neither recognizes nor condones" the Arab boycott and that it has registered its disapproval with the Arab States. Our government has discouraged discriminatory practices against American Jews—based on their religion only—and these seem to be dying out. But Washington has failed to halt blacklisting of Americans who help Israel.

The most notorious examples of the anti-Jewish boycott in the past were the 1952 agreement which allowed Saudi Arabia to bar Jews from the U.S. base at Dhahran; Aramco's hiring practices; travel restrictions on American Jews; and the circulation of a Saudi Arabian questionnaire which required firms to certify that management and ownership were "Judenrein."

These practices caused angry repercussions in Congress. The Senate adopted the Lehman resolution in 1958, decrying discrimination against Americans on the grounds of race and religion. The national conventions followed with vigorous platform planks. Nevertheless, in 1957, the administration extended the Dhahran agreement for another 5 years and went so far as to inform New York's State Commission Against Discrimination (SCAD) that U.S. interests in Saudi Arabia might be injured if Aramco were compelled to hire Jews.

Then Congress took a tougher line. Every year since 1959, it has approved an amendment to the foreign aid appropriations bill which asserts that distinctions between Americans, based on race or religion, are repugnant to American principles.

Since then the administration has tried to persuade the Arabs to drop stultifying anti-Jewish procedures. Obviously such practices discredit Arab propaganda pretensions which disavow anti-Semitism and which attempt to justify the boycott as a righteous weapon in a defensive war against Israel and aggressive Zionism. Since 1960, the Arabs have apparently discontinued the boycott questionnaire which asked American firms if they had Jewish directors and officials.

In addition, dollar-conscious, tourist-seeking Arab governments have liberalized travel

regulations to admit Jews—but not Zionists. These gains have not been publicized, lest Arab public opinion force reconsideration. The Dhahran base agreement ended in 1962 and last year no one checked the religion of Jewish members of the U.S. military contingent dispatched to reassure Saudi Arabia in the face of the Egyptian threat from Yemen.

In contrast with these limited successes, the Department of State and the Department of Commerce have failed to cope with the economic boycott which is directed against American firms dealing with Israel.

The Arab questionnaire, which is sent out from headquarters in Damascus, asks business firms whether they have branch factories, assembly plants, investments, general agencies, consultative services, technical assistance, patents, trademarks, copyrights in Israel. Companies face blacklisting unless they dispose of these interests and prove the sale and the repatriation of their funds to an American depository.

The blacklist also applies to American ships which bring oil or military supplies to Israel.

American manufacturers are sometimes required by American exporters to include a certification on invoices which reads:

"The goods described in this invoice are neither of Israel origin nor do they contain Israel materials."

One manufacturer who protested to Washington was told that while the United States disapproved of the boycott regulations, "it would not be appropriate for the Department to intervene in the commercial relations of either of the two American firms."

The letter went on to say that certification or documentation as to the origin of goods is not an uncommon requirement in international trade.

In 1960, it became known that the U.S. Navy was discouraging American shippers who traded with Israel from bidding on U.S. oil shipment contracts. Anyone who put in a bid was told that he did so at his own risk if his ship were blacklisted by the Arabs and he was unable to carry out the contract.

Public commotion forced the scrapping of the "Haifa clause," but this exposed and the capitulation to Nasser in the Suez blockade led, in May 1960, to the adoption of the Douglas-Keating amendment to the foreign aid bill, which opposed U.S. aid to countries which engage in boycotts, blockades, and other acts of economic warfare against other recipients of U.S. aid.

The Department of State insisted that the amendment would be counterproductive and refused to implement it, arguing that any efforts to link U.S. aid with the Suez issue "would only intensify the very trade and transit restrictions which we all hope may be eliminated, while, at the same time, playing into the hands of the Communists by exacerbating Middle East tensions."

How many American firms have yielded to the boycott? It is difficult to say. Israel has prospered despite the boycott, as the figures show.

The boycott has been applied capriciously. Most of those who have ignored it or defied it have escaped blacklisting. In most cases, apparently, the Arabs do not apply the boycott where they, themselves, may be hurt. Thus, the international airlines and the big hotels have gone into Israel and have escaped reprisals. On the other hand, some businessmen have felt that they had to withdraw from Israel.

What can be done about the boycott? American businessmen could decide, as a matter of policy, to spurn Arab questionnaires and demands for "certificates of origin." Local chambers of commerce and other trade associations could take the initiative and might do so if they were encouraged by the Federal Government. The White House and the Department of Commerce could abandon the cautious laissez-faire atti-

tude and provide leadership. Experience has shown that the boycott threat is meaningless where it is firmly resisted.

The United States—as a Government—has defied the boycott. It refused to accept Cairo's demand that an American Theater Guild production, starring Helen Hayes, drop Tel Aviv if it wanted to play Cairo. Moreover, the American Government has been encouraging businessmen to expand their trade with Israel. A recent trade mission sponsored by the Department of Commerce came back with a highly enthusiastic report on the growing investment and business opportunities in Israel, which far outweigh the market offered by the Arab economies.

American businessmen who are forced to make an either-or decision are inclined to go forward with their programs in Israel, not only because of the expanding market in that country but because Israel's growing technical skill provides a profitable association for American businessmen who are interested in world trade. This partnership between Israel and American businessmen will not be confined to Israel's territory, for Israel products and know-how are today being exported all over the world.

Horatio Alger Came to Washington

EXTENSION OF REMARKS

OF

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1964

Mr. GROSS. Mr. Speaker, the columnist, Arthur Hoppe, has written for the Washington Star and other newspapers the touching story of how Horatio Alger came to the world's wonderful capital of make-believe, and how, at the ripe old age of 36 he had amassed a fortune of \$2 million.

The columnist tells the story as follows:

HORATIO ALGER CAME TO WASHINGTON (By Arthur Hoppe)

Once upon a time, there was a poor little boy who lived in a poor little town. His family was poor. His friends were poor. He was very, very poor. His name was Horatio Alger.

But although he was poor, young Horatio was filled with the ambition and fortitude which has made our Nation great. "I will press on through life," he said, squaring his little jaw, "and become a rich man."

At first, he determined to go to Wall Street to begin his career as a humble shoeshine boy, in hopes some tycoon would befriend him. "But no," he said, "it would be wiser to go to the place which has the most money in the whole wide world."

So he went to Washington.

Our Horatio was 14 years old when he came to Washington to make his fortune. He began as a humble Senate page boy. His duties were lowly and the pay a mere pittance. But his heart was filled with resolve.

"It matters not that I am poor and uneducated," said little Horatio, clenching his tiny fists. "For America is the land of opportunity. I shall work hard and I shall study hard. And I shall listen to the Senators I serve, for they are the wisest and most successful men in our Nation. And thus I shall make my fortune."

So while the other little pages idled away their spare time in carousing and loose living, our Horatio worked hard, studied hard and sat at the feet of the Senators to learn the secret of success.

A994

CONGRESSIONAL RECORD — APPENDIX

March 2

He observed how friendly and generous they were, even with wealthy businessmen. He observed how happy they were to do favors for others. And how happy others were to do favors for them. And he marveled at how, despite such generosity, all grew richer. "Truly," he said, "the secret of success is to be friendly and generous."

And he was. He did little favors for the Senators, pluckily rescuing their little bills when in danger of being runover by some committee. And in no time, the Senator from Texas, who was the cleverest man in the Senate, made him his personal assistant. And the Senator from Oklahoma, who was the richest man in the Senate, looked upon him as a son. And they taught him all they knew.

But success did not spoil our Horatio. He forged ahead, doing bigger and bigger favors for all. In reward for such virtue, businessmen offered him profitable investments, bankers begged to lend him money and the Senators were proud to call him their friend. And thus he grew up admired, respected and worth \$2 million—a shining example to little boys everywhere that all it takes to struggle up the long path from rags to riches is hard work, generosity, and pluck.

Ah, that our story could end here. But, alas, our Horatio fell upon evil times. Jealous rivals accused him of the worst crime known to Washington: "influence peddling"—or doing favors in hopes of reward. Friends and fortune fled him. None was more shocked than the businessmen and Senators who had guided him all through his youth and young manhood. They called for hearings and probes and investigations. "How," they asked each other, sadly shaking their heads, "could a fine young man like that have gone wrong?"

Moral: All it takes today to struggle up the long path from rags to riches is hard work, generosity, and pluck. But don't forget to cover your tracks.

Soviet Satellite Observation Maintained in Cuba

EXTENSION OF REMARKS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 27, 1964

Mr. EVINS. Mr. Speaker, the Nashville Banner in a recent editorial pointed out that the Soviet press agency Tass has announced that a leading Soviet scientist will man a satellite observation station in Cuba. This is further evidence that the Soviet and Red Cuba are doing business as usual and of the continuing mischievous activities of the Cuban dictator.

Mr. Speaker, under unanimous consent, I include this editorial in the Appendix of the Record. The editorial follows:

CASTRO BUSINESS AS USUAL

Besides being a base point (denied by Moscow) for missile launching, Castro's Cuba is to be (confirmed by Moscow) a grandstand seat for satellite watching. What satellite operations? United States of course.

The announcement speaks for itself: The Soviet Union has sent a leading Russian scientist to establish a satellite observation station in Cuba, less than 250 miles from the U.S. missile base at Cape Kennedy.

The official press agency Tass identified the scientist as Nikolai Yerpylev, scientific secre-

tary of the Soviet Academy of Science. I said equipment for the satellite station, including "chronometers and astronomical instruments," has already been shipped to Cuba.

What else is anybody's guess.

Cuban exiles at Miami report that an American scientist once suspected of peddling atomic secrets to Russia has been set up in a nuclear laboratory in Cuba by Castro. They identify him as Robert Walder.

The Soviet and Red Cuba are doing business as usual—inimical to the hemisphere. Only on the surface, and hardly there, has anything been changed since the so-called confrontation of October 1962.

Recently, Secretary of State Dean Rusk voiced the opinion that Fidel Castro is not a permanent part of the Cuban scene, indicating that it is his belief that the Communist regime eventually will topple.

At the same time, Mr. Rusk had a few harsh words to say about our allies who have been engaging in lucrative trade with Castro. This, he maintains, is bad business.

If the Castro government is a transitory thing, what or who is going to provide the impetus needed to put it to flight? It seems to be the consensus of those familiar with internal conditions that an uprising from within could not succeed unless there was an assault from without by Cuban loyalist troops.

And the Bay of Pigs fiasco has proved that it is impossible to land assault troops without supporting air cover. Whether promised or not by the United States, the Cuban assault troops did not get air support and were either slaughtered or captured.

The existence on the island of Russian troops to back up Castro's own militia negates the chances of a counterrevolution succeeding. The Cubans could not do it any more successfully than the freedom fighters of Hungary who were mauled by Soviet armor.

It is true, as the Secretary of State opines, that trade with Castro by our friends is doing nothing more than strengthening him.

But this Nation can do nothing about either—the ultimate overthrow of the Cuban Reds or the halting of trade—without coming to grips with reality.

As the Banner has said many times, words and empty threats will avail us nothing—and neither will wishful thinking.

Guilt Complex Over Panama

EXTENSION OF REMARKS

HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, March 2, 1964

Mr. SCOTT. Mr. President, much of U.S. foreign policy toward small nations often seems to be derived from a guilt complex, the notion that because we are a large and great Nation we have something to be ashamed of. This false premise causes us difficulties in many areas, but at the moment most acutely in Panama. I ask unanimous consent to have printed in the Appendix of the Record a recent editorial from the McKeesport, Pa., Daily News which I believe furnishes an excellent analysis of this problem.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

WE YIELD AGAIN

The United States notified the five-nation Inter-American Peace Committee that it was willing to discuss "the whole range of outstanding issues" with Panama and thus won a truce in the Canal Zone crisis.

After the notice from Washington reached the conferees in Panama, an agreement was entered into whereby Panama would resume diplomatic relations with us pending the opening of negotiations on the "issues."

Should we celebrate? Certainly not. The truce came simply because the mighty United States which ladies millions into Panama and spreads billions throughout Latin America, was the one to back down. Even our original Panama Canal treaty, once a rock upon which we stood resolutely, now becomes subject to new discussions.

The backdown in Panama results from two serious faults in the conduct of our foreign affairs. One is the guilt complex which continues to prevail in the State Department, the notion that we have something to be ashamed of in the fact that we are great, while other countries necessarily are not, and that the impurity of this situation means past wrongs on our part unredressed. The other is the philosophy of expediency, first adopted by the late Secretary John Foster Dulles, that holds that we must bend wherever the bending will buy a respite from a problem.

On the first point, it should be made clear, regardless of what any State Department apologist for us might say, that we have nothing to be embarrassed about in Panama. The charges that we won the Canal Zone by "gunboat" diplomacy often are made. They are crude libels on the leadership of a past America.

The facts are these. The world, and not only the United States, badly needed a canal across the narrow neck of land known as the Isthmus of Panama. France first tried to build it and failed, defeated by the malaria then rampant in the jungles there. Under the proud and ebullient leadership of Teddy Roosevelt, we decided to make the attempt.

Negotiations for land space with the Government of Colombia got nowhere because the price set by its administrators and the conditions under which they wanted the canal to be operated were impossible. When we backed away, a northern province of Colombia revolted and established the new nation of Panama. In due time, Teddy Roosevelt recognized the regime, worked out the canal treaty and, as history records, enabled American skills to wipe out the malaria and build the canal.

What, then, have we to be red faced about in that? Our success in Panama was a boon to our shipping, of course, and to our naval planning. But it was an immense benefit also to the shipping of the world and thus to peoples everywhere. More ships of other flags pass annually across Panama than do ships of our own registry. The tolls they pay never have been enough to cover our maintenance costs, or provide a normal monetary return on our investment.

Our position in the Canal Zone has meant a prosperity for Panama and its Central American neighbors far greater than they possibly could have attained otherwise. The canal itself provides employment for thousands. U.S. dollars, paid directly to Panamanians and flowing into the Panama economy through the spending of Americans stationed there, total millions annually.

Why, in view of this, has the canal caused us trouble even though on past occasions we unilaterally adjusted upward our land-lease payments to Panama to the point where they now are four times the amounts originally called for in the treaty? Some accredit the restlessness in Panama to an "awakening nationalism." Others point an accusing finger at us because squalor persists in certain parts of that region.